

108TH CONGRESS
1ST SESSION

H. R. 1135

To amend the Internal Revenue Code of 1986 to provide increased incentives for business investments in low-income communities and small businesses.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2003

Mr. JEFFERSON introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide increased incentives for business investments in low-income communities and small businesses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. \$1,000,000,000 INCREASE IN NEW MARKETS TAX**

4 **CREDIT FOR 2003 AND 2004.**

5 (a) IN GENERAL.—The table contained in paragraph
6 (1) of section 45D(f) of the Internal Revenue Code of
7 1986 (relating to national limitation on amount of invest-
8 ments designated) is amended by striking “and 2003” in
9 subparagraph (B), by redesignating subparagraph (D) as

1 subparagraph (F), and by striking subparagraph (C) and
 2 inserting the following new subparagraphs:

3 “(C) \$2,500,000,000 for 2003,

4 “(D) \$3,000,000,000 for 2004,

5 “(E) \$2,000,000,000 for 2005, and”.

6 (b) EFFECTIVE DATE.—The amendment made by
 7 subsection (a) shall apply to calendar years after 2002.

8 **SEC. 2. AUTHORITY TO TARGET LOW-INCOME POPU-**
 9 **LATIONS.**

10 Subsection (e) of section 45D of the Internal Revenue
 11 Code of 1986 (defining low-income community) is amend-
 12 ed by adding at the end the following new paragraph:

13 “(4) TARGETED POPULATION.—The Secretary
 14 shall prescribe regulations under which 1 or more
 15 targeted populations (within the meaning of section
 16 3(20) of the Riegle Community Development and
 17 Regulatory Improvement Act of 1974 (12 U.S.C.
 18 4702(20))) may be treated as low-income commu-
 19 nities without regard to paragraph (2). Such regula-
 20 tions shall include procedures for determining which
 21 entities are qualified active low-income community
 22 businesses with respect to such populations.”

1 **SEC. 3. SPECIAL STATUS FOR NEW MARKETS VENTURE**
2 **CAPITAL COMPANIES.**

3 (a) IN GENERAL.—Paragraph (2) of section 45D(c)
4 of the Internal Revenue Code of 1986 (relating to quali-
5 fied community development entity) is amended by strik-
6 ing “and” at the end of subparagraph (A), by striking
7 the period at the end of subparagraph (B) and inserting
8 “, and”, and by adding at the end the following new sub-
9 paragraph:

10 “(C) any conditionally approved New Mar-
11 kets Venture Capital Company (as defined by
12 section 101 of the Community Renewal and
13 New Markets Initiatives Act of 2001).”

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to taxable years beginning after
16 December 31, 2003.

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